PROPOSED AMENDMENTS TO THE FEDERAL RULES OF BANKRUPTCY PROCEDURE*

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Rule 1014. Dismissal and Change of Venue

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2 (L) PROCEDURE WHEN PETITIO

3 (b) PROCEDURE WHEN **PETITIONS** 4 INVOLVING THE SAME DEBTOR OR RELATED 5 DEBTORS ARE FILED IN DIFFERENT COURTS. If 6 petitions commencing cases under the Code or seeking 7 recognition under chapter 15 are filed in different districts by, regarding, or against (1) the same debtor, (2) a 8 9 partnership and one or more of its general partners, (3) two 10 or more general partners, or (4) a debtor and an affiliate, on 11 motion filedthe court in the district in which the first-filed

12 petition filed first is pending and after hearing on notice to

13 the petitioners, the United States trustee, and other entities

14 as directed by the court, the courtmay determine, in the

^{*} New material is underlined; matter to be omitted is lined through.

2 FEDERAL RULES OF BANKRUPTCY PROCEDURE

15 interest of justice or for the convenience of the parties, the 16 district or districts in which the case or any of the cases 17 should proceed. The court may so determine on motion 18 and after a hearing, with notice to the following entities in 19 the affected cases: the United States trustee, entities 20 entitled to notice under Rule 2002(a), and other entities as 21 the court directs. Except as otherwise ordered by the The 22 court in the district in which the petition filed first is 23 pending, may order the parties to the later-filed cases not to 24 proceed further the proceedings on the other petitions shall 25 be stayed by the courts in which they have been filed until 26 it makes the determination is made.

Committee Note

Subdivision (b) provides a practical solution for resolving venue issues when related cases are filed in different districts. It designates the court in which the firstfiled petition is pending as the decision maker if a party seeks a determination of where the related cases should proceed. Subdivision (b) is amended to clarify when proceedings in the subsequently filed cases are stayed. It requires an order of the court in which the first-filed petition is pending to stay proceedings in the related cases. Requiring a court order to trigger the stay will prevent the disruption of other cases unless there is a judicial determination that this subdivision of the rule applies and that a stay of related cases is needed while the court makes its venue determination.

Notice of the hearing must be given to all debtors, trustees, creditors, indenture trustees, and United States trustees in the affected cases, as well as any other entity that the court directs. Because the clerk of the court that makes the determination often may lack access to the names and addresses of entities in other cases, a court may order the moving party to provide notice.

The other changes to subdivision (b) are stylistic.

Changes Made After Publication and Comment

The only change made after publication and comment was stylistic.